# INFORMATION LETTER

Not for Publication — NATIONAL CANNERS ASSOCIATION — For Members Only

No. 1093 — Washington, D. C. — July 6, 1946


## Canners Are Cautioned to Observe Subsidy Dates

The U. S. Department of Agriculture has requested the Association to remind all canners that no subsidy payments will be made on designated canned vegetables under the 1946 interim subsidy program on sales made after June 30, 1946. Application for payment on eligible sales made not later than June 30, 1946, under the provisions of the interim subsidy program, may be made through November 30, 1946. Interim subsidy payments will be made on the following canned vegetables: canned sweet corn, green peas, and green pea soup, packed from February 2, 1946, to June 30, 1946, both dates inclusive, and on canned tomatoes and canned tomato products packed from March 1, 1946 to June 30, 1946, both dates inclusive, provided that for all foregoing commodities the eligible sale was made prior to July 1, 1946.

The USDA on June 30 sent the following wire regarding the 1945 subsidy program to all of its Fruit and Vegetable Branch field offices:

Nineteen forty-five subsidy program payments on designated canned and frozen vegetables and products will be continued until further notice on the condition that sales made on and after July 1, 1946, are in accordance with the terms and conditions of the agreement between processor and Commodity Credit Corporation and at prices not in excess of the ceiling prices applicable to these commodities on June 30, 1946.

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**The OPA, in Supplementary Order 167, requires that all persons shall preserve for examination by the OPA until July 1, 1947, all records, etc., required to be made or kept under the ceiling price regulations. The order became effective June 30, 1946.**

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**The U. S. Department of Agriculture states in a report this week that the Federal government has been withdrawing from the import purchasing field, and that foreign governments now are considering turning the trade functions of their purchasing missions over to private traders. (For a summary of report see story on page 272.)**

# Banking Committee of Senate Reports Substitute OPA Bill

By a vote of 12 to 5, the Senate Banking Committee on July 4 reported a revised OPA extension bill apparently acceptable to the Administration. (As the LETTER went to press, the Senate had taken no action on the Committee's report.) The new bill is identical with the Conference Committee bill, vetoed by the President on June 29 except for the so-called Taft and Wherry amendments. (See INFORMATION LETTER for June 29.) As a substitute for these amendments, the new measure contains an alternate proposal reportedly sponsored by Senator Alben W. Barkley which would require, with various exceptions, that price ceilings for producers, processors and manufacturers must cover, on an industry-wide average, the average 1940 price plus the average subsequent cost increases.

The proposed bill would restore price and rent control until June 30, 1947, and re-establish all OPA ceilings and regulations which were in effect June 30, 1946 until, whenever necessary under the bill, new ones can be worked out by OPA.

Other principal provisions proposed in the bill include:

Ceilings for wholesalers and retailers "must make due allowance" for current prices (See *Substitute OPA Bill Reported* page 278)

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## Food and Drug Administration to Collect Canned Corn Samples

The Food and Drug Administration has advised the Association that they are planning field investigations during the coming corn season to accumulate further data on factors affecting quality and fill of container in canned corn. The FDA also is interested in learning of any special packs of canned corn which are clearly distinguishable from whole kernel or cream style. Inspectors, from their various field stations in areas where corn is canned, will visit canneries for the purpose of obtaining information as to canning procedures. Samples of various grades of canned corn will be collected, and inspectors will make some experimental packs of whole kernel corn, particularly of the vacuum type pack.

Food and Drug officials state they are unable to predict with any certainty when a hearing might be called on proposals to adopt corn standards but they are of the opinion that complete results of the investigation planned would not be available until early in 1947 (see earlier story on page 276 for further details).

## Recent Developments in U. S. Foreign Trade and Future of U. S. Agricultural Imports and Exports Outlined in USDA Report

Some important developments in the field of foreign trade have occurred during the past few months, the U. S. Department of Agriculture stated this week in a report on the recent developments in U. S. foreign trade. Lend-lease was terminated shortly after V-J Day, and military shipments to United States forces abroad began to taper off. Some wartime import and export controls have been lifted both here and abroad. The Federal Government has been withdrawing from the import purchasing field, and foreign governments now are considering turning the trade functions of their purchasing missions over to private traders, USDA emphasized.

Increasing UNRRA exports of United States merchandise and rising commercial exports have offset a large part of the effects of the termination of lend-lease. Decreases in United States imports of war materials since V-J Day have been more than replaced by larger purchases of peacetime goods.

United States foreign trade is of great importance to farmers. Most important at the present time is the huge direct demand for American farm products to help meet the world food emergency. This direct demand will taper off as foreign agricultural production recovers, but exports of nonagricultural products will become increasingly important in the domestic demand situation for farm commodities by adding to business activity and consumer incomes in the United States.

### Short Time Outlook for Exports

Foreign countries are greatly in need of food, clothing, housing, and a wide range of industrial goods for industrial reequipment and expansion. Because of its great productive capacity, the United States is expected to supply a considerable part of these requirements. Funds for payment are now being provided in large part by UNRRA, by foreign balances of gold and dollar exchange accumulated in this country during the war, and by the extension of credit. On July 31, 1945, the limit on outstanding loans and guaranties of the Export-Import Bank was raised from $700,000,000 to $3,500,000,000. New loans, including loans to France totaling $1.2 billion, have been negotiated, and a part of the resources of the Bank are still uncommitted.

During the war, exports of U. S. merchandise rose to an all-time high of more than $14 billion in 1944, compared with a little over $3 billion in 1938. Most of the wartime increase in exports was accounted for by lend-lease which began in 1941. Of total exports in 1944, nearly $11,300 million or about 80 percent were lend-lease, of which $1,600 million were agricultural commodities, and $9,675 million were nonagricultural products. Exports dropped sharply with the termination of lend-lease in 1945. From $1,119 million in the month of V-E Day (May), total exports declined to $441 million in October. Since then the trend in monthly exports has been upward due both to larger commercial exports and to a partial replacement of lend-lease by UNRRA shipments. In April, 1946, total exports were valued at $739 million, more than 3 times the average monthly value in the years 1935-39. Commercial exports, since they exclude UNRRA and lend-lease, show a somewhat smaller rise. Exports of United States merchandise by UNRRA rose from $5.1 million in the first quarter of 1945 to $194 million in the fourth quarter, and are estimated to have exceeded $300 million in the first quarter of this year.

Owing to a higher level of prices, the increase in quantities has been less than the figures for value of exports indicate. Even so, the index of the quantity of exports in January and February (the most recent months available) averaged twice as high as in the prewar period.

### Long Time Outlook for Exports

Prospects for exports of United States merchandise are *not* necessarily so favorable from a long-time as from a short-time point of view. Basically, there are only a few ways by which foreign buyers may finance imports from the United States. One of these is through the use of existing holdings of gold and dollar exchange. It is reported that on December 31, 1945, such gold and exchange holdings were in excess of $20 billion as compared with $15 billion at the end of 1938; but this is hardly proportionate to the rise in prices. Furthermore, several of the countries most important in international trade and as purchasers of United States products in normal times had their resources of gold and dollar exchange greatly depleted during the war. Secondly, foreign countries could ship to the United States most of their current production of new gold. But such shipments would not be sufficient to sustain a large volume of trade and, furthermore, would be economically undesirable from the standpoint of the United States because we would be giving up commodities in exchange for the gold.

Another method by which foreigners may obtain dollar exchange is through the extension of loans by the United States. During the next few years, while foreign countries are restoring and expanding their productive capacity, loans from the United States will play an important part in enabling foreign purchase of commodities from this country. However, if loans are not to become gifts, interest and amortization payments will rise relative to new loans and presumably sooner or later surpass the value of new loans.

This means, of course, that in the long run foreign countries must obtain the dollar exchange necessary to purchase exports of the United States and repay loans extended by the United States from the sale of merchandise and services to this country. Consequently, if the exports of the United States are to continue to grow, its imports must show an even greater expansion. Before the war, foreign countries obtained considerable dollar exchange from the net sale of shipping services to the United States, the expenditures of American tourists, immigrant remittances, and other invisible items. Expenditures of American tourists probably will be larger than before the war and the other items will reappear to some extent but the total will be small as compared with United States merchandise imports.

### Imports Rising Slowly

The impact of the war on imports was quite different from that on exports. Raw materials having a high priority for war production were given right of way, but imports of many commodities were reduced either by the shipping shortage or because of the cuttting off of sources of supply. As a result, total imports showed a much smaller increase during the war than exports. Since V-J Day, imports have increased moderately, and in April were valued at $393 million compared with a monthly average of $274 million from January, 1940, through August, 1945, and $195 million in the period 1935-39. At prewar prices, import quantities since V-J Day have averaged only a little above the prewar level.

A number of factors are delaying the growth of imports. In the former enemy or enemy-occupied areas, production capacity is limited by shortages of raw materials and industrial equipment and damage to transportation, communication and harbor facilities. In some countries, exchange restrictions are interfering with sales to the United States. In these areas, prices have risen much more than in this country, and without exchange-rate adjustments it is not possible for their products to be imported into the United States and sold under existing price ceilings. However, present levels of United States imports are small in relation to prevailing levels of industrial activity and consumer buying power, and imports should increase considerably as the above-mentioned obstacles are overcome.

During the war the value of imports from Canada, other Western Hemisphere countries, Oceania, and Africa, increased sharply while imports from Europe and Asia decreased markedly. Imports of specialized manufactures from Europe and imports of rubber, tin, oilseeds, and other foodstuffs and raw materials from Asia have increased in recent months and should rise further as these areas revert to a peacetime basis.

In the long run, the most important factors which would operate to encourage United States imports are a high level of economic activity in the United States, expanded productive capacity in foreign countries, and reduced world trade barriers, including the trade barriers of the United States. If the British loan agreement becomes law and the world Monetary Fund and World Bank operate successfully, a trend toward a larger volume of international trade will be encouraged.

## Pilchard Allocation Controls Lifted for 1946-47 Season

Landings of pilchards will not be allocated between canneries and reduction plants on the Pacific Coast during the 1946-47 season which begins August 1 in northern California, A. W. Anderson, Acting Assistant Director of the Fish and Wildlife Service, Department of the Interior, announced July 3.

A hearing on the need for an allocation program to insure a maximum canned pack of pilchards, as requested by the Department of Agriculture, was held by the Service in San Francisco on June 12. At this meeting members of the fishing industry and interested Federal and State agencies presented their views with respect to the continuation of a program similar to that administered by the Department of the Interior during the three preceding seasons.

After considering the numerous problems involved in allocation as raised at the hearing, and conferring with the Department of Agriculture regarding its current need for canned pilchards, the Service accepted the assurance of the industry that an all-out canning effort would be made and that the required production of canned pilchards could best be achieved without an allocation program.

## Alaska Salmon Pack Report

The following table, prepared from statistics compiled by the U. S. Fish and Wildlife Service, shows the pack of Alaska canned salmon, by regions and varieties, through June 22, 1946, as compared with a similar period in 1945:

| Districts | June 22, 1946 | June 23, 1945 |
|---|---|---|
| | *Cases* | *Cases* |
| Western Alaska | ..... | ..... |
| Central Alaska | 111,273 | 201,635 |
| Southeastern Alaska | 333 | 4,142 |
| Total | 111,606 | 205,777 |
| **Species** | | |
| King | 17,040 | 22,345 |
| Red | 82,499 | 166,798 |
| Pink | 3,582 | 5,078 |
| Chum | 8,483 | 11,656 |
| Coho | ..... | ..... |
| Total | 111,606 | 205,777 |

## Canned Poultry Statistics

The quantity of poultry canned or used in canning during May totaled 10,974,000 pounds compared with 20,011,000 pounds in May, 1945, 10,056,000 pounds in May, 1944, and 6,553,000 pounds in May, 1943. Production in May this year consisted of 10,642,000 pounds of chicken and 332,000 pounds of turkey. The following table compares the pack by months and years:

| | 1944 *Pounds* | 1945 *Pounds* | 1946 *Pounds* |
|---|---|---|---|
| January | 13,191,000 | 15,343,000 | 13,620,000 |
| February | 13,686,000 | 16,300,000 | 11,402,000 |
| March | 13,261,000 | 18,746,000 | 11,145,000 |
| April | 10,564,000 | 15,392,000 | 9,630,000 |
| May | 10,056,000 | 20,011,000 | 10,974,000 |
| June | 11,294,000 | 14,401,000 | ..... |
| July | 7,839,000 | 7,764,000 | ..... |
| August | 6,701,000 | 8,084,000 | ..... |
| September | 6,476,000 | 4,750,000 | ..... |
| October | 10,432,000 | 5,815,000 | ..... |
| November | 15,449,000 | 8,972,000 | ..... |
| December | 12,852,000 | 7,960,000 | ..... |
| Total | 131,801,000 | 146,567,000 | 56,221,000 |

## NEW ASSOCIATION MEMBERS

The following firms have been admitted into membership in the Association since June 1, 1946:

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Alaska Shell Fish Co., Seattle, Wash.
Coastal Valley Canning Co., Oxnard, Calif.
Cooperative G. L. F. Farm Products, Inc., Ithaca, N. Y.
General Juices, Inc., Ocala, Fla.
Greenville Canning Co., Greenville, S. C.
Hygrade Food Products Corp., New York, N. Y.
Independence Canning Corp., Independence, Iowa
Nordic Packing Co., Petersburg, Alaska
Pulici Packing Co., Glendale, Calif.
Salt Sea Fisheries, Tenakee Springs, Alaska
Washington Fish Co., Aberdeen, Wash.

## Record Pack of Canned Tuna Forecast by the Government

A record breaking pack of about five million cases of tuna in 1946 was predicted by the Fish and Wildlife Service this week on the basis of the performance of the far ranging Pacific Coast tuna fleet so far this year. During the first five months of 1946, the pack totaled 1,242,485 cases, the largest production for this period in the history of the industry.

The largest prewar pack of tuna was made in 1940, when 4,188,000 cases were produced, according to officials of the Service. As a result of war conditions, the pack fell to about 2,500,000 cases in 1942, but rose to 4,237,000 in 1945.

Although some of the most productive tuna waters were closed during the war as a security measure, this so-called "area of vigilance" was reopened to the tuna fleet late in 1945. Tuna clippers, among the largest and fastest of all fishing boats, normally operate on the high seas as far south as Equatorial waters, sometimes even beyond. They are equipped for voyages of 4,000 to 6,000 miles and carry elaborate refrigeration equipment.

Because of their speed and size, many tuna clippers were requisitioned for military use during the war. However, the return of some of these vessels, plus an intensive program of vessel construction, have restored the tuna fleet to its full strength, the Fish and Wildlife Service announced.

## USDA REPORT INDICATES LARGER 1946 FRUIT CROPS; THIS YEAR'S FRUIT PACK TO BE GREATER THAN 1945

Strong consumer and processor demand for fruit, deciduous fruit production about one-tenth larger than last year, and relatively low stocks of canned and dried fruits are key factors in the outlook for fruit at the beginning of the 1946-47 season, the U. S. Department of Agriculture reported this week in the June issue of *The Fruit Situation.*

Prices for deciduous fruit are expected to continue at the high levels of the past two seasons. Civilian per capita supplies of fresh and canned deciduous fruit should be moderately larger than in the 1945-46 season. Summer supplies of citrus fruits will be smaller and prices probably higher than in 1945, USDA said.

The commercial pack of canned deciduous fruits is expected to be considerably larger this season than last, but the packs of dried and frozen fruits may be no larger. Stocks of dried and canned deciduous fruits at the beginning of the 1946-47 packing season are the lowest in several years, but beginning stocks of frozen fruits are the highest on record.

This year's near-record peach crop probably will sell at prices averaging near those of last year. The California crop of clingstone peaches, which provides most of the peaches canned commercially in the United States, is the largest since 1930. Peaches on the fresh market will be in competition with larger quantities of cherries, early apples and apricots than were available last year.

Production of all cherries in commercial States is more than one-fifth larger than last year's below-average crop. The sweet cherry crop is slightly smaller than last year's record, but the sour cherry crop is nearly up to average and almost double the size of last year's very short crop. Prices received by growers this year are expected to average somewhat higher than last year for sweet cherries, but lower for sour cherries.

The commercial apple crop is expected to be somewhat smaller than average, but much larger than last year's small crop, particularly in Eastern and Midwestern States. Supplies of early apples probably will move at prices at least as high as last year.

California, Washington and Utah together have this year the third largest apricot crop of record. Apricots, together with sweet cherries, plums and prunes, have been exempted from price control, and auction prices for apricots opened the season at a much higher level than last year when ceilings were in effect. However, prices since have been dropping rapidly and are expected to average lower than last year, particularly on the part of the crop sold fresh.

This year's near-record crop of pears probably will sell for prices somewhat higher than prices realized for the record-large 1945 crop.

With supplies of oranges and lemons somewhat smaller this summer than last and supplies of grapefruit seasonally small, prices are expected to average higher than last summer for oranges and lemons, and about the same for grapefruit. The best quality oranges and grapefruit probably will continue to bring ceiling prices, but lemons may stay somewhat below. Demand for citrus fruits this year will be weakened somewhat by increased competition from the larger supplies of deciduous fruits and melons.

The 1946 crop of fresh plums in California is estimated to be one-fourth larger than the near-average crop last year. The California crop of prunes, which provides most of the prunes for drying, is estimated to be about one-eighth smaller than the above-average crop last year. Although early season marketings of fresh plums have brought prices nearly three times those of a year earlier, sales later in the season may bring prices close to those of last year.

The following summary, which is taken from the USDA report, shows production by individual fruits:

### Peaches

The 1946 crop of peaches, estimated at 81,065,000 bushels, will be nearly as large as last year's record of 81,564,000 bushels. The 10-year (1935-44) average production of peaches in this country is 59,938,000 bushels. This year will mark the first time the United States has had 3 successive peach crops in excess of 75 million bushels.

### Cherries

Production of all cherries in the 12 commercial States this year is estimated at 180,190 tons, which is one-eighth above the 10-year average and more than one-fifth larger than last year's below-average crop of 148,190 tons. Production of sweet varieties at 94,000 tons is about seven per cent below last year's record of 101,790 tons, and 16 per cent above average. This year's crop of sour cherries, indicated at 86,190 tons, is slightly below the 10-year average (87,486 tons) but approaches twice the size of last year's 46,400-ton crop.

### Apricots

The apricot crop in the three important States (California, Washington and Utah) is estimated at 329,400 tons, and has been exceeded only by the 1939 and 1944 crops of 331,500 and 354,900 tons, respectively. The 10-year average crop for these three States, which together produce about 98 percent of all apricots grown in the United States, is 235,535 tons. Last year's crop was only 193,600 tons.

### Apples

Although April and May freezes reduced prospects for the apple crop in commercial areas of Eastern and Midwestern States to below-average proportions (1935-44), conditions up to June 1 pointed to production in these States two to three times as large as last year's extremely short crop. Present expectations are for near-average commercial production in the Western States. For the entire country, the apple crop in commercial areas may be somewhat smaller than average but at least one-half larger than the record-low 1945 crop.

### Pears

The crop of pears indicated for this year is 32,573,000 bushels, about four percent smaller than the record crop of 34,011,000 bushels last year and 12 percent above the 10-year (1935-44) average. In the three Pacific Coast States, which produce more than three-fourths of the total United States crop, indicated production is somewhat below last year but much above average. In the North Atlantic and North Central States, the crop is considerably below average, though much larger than the extremely short crop last year. In the South Atlantic States, the pear crop is expected to be larger than last year and larger than average.

Most of the pears canned commercially in the United States are canned in the Pacific Coast States. About 90 percent of those canned in these States are of the Bartlett variety. The Bartlett pear crop for California, Washington and Oregon is estimated at 18,424,000 bushels, about 10 percent smaller than last year's very large crop, but 22 percent above the 10-year average.

### Plums and Prunes

The 1946 crop of fresh plums in California, where about nine-tenths of the commercial crop is grown, is indicated at 89,000 tons, fresh basis, which is 25 percent larger than the near-average crop of 71,000 tons in 1945. In Michigan, the other important commercial plum State, the outlook is for a crop much larger than the very short 1945 crop but somewhat

below average. The California crop of prunes for drying is estimated at 200,000 tons, dry basis, about one-eighth smaller than in 1945 but near average.

### Citrus Fruits

Production of citrus fruits during the 1945-46 season, which is now well advanced, is estimated to aggregate 7.4 million tons, fresh basis, 2.5 percent larger than in 1944-45 and 76 percent larger than the 5-year (1935-39) average.

Unusually large quantities of 1945-1946 crop citrus fruit have been processed into canned juices and segments thus far this season. For the season as a whole, processing outlets are expected to take about one-fourth of the oranges, two-thirds of the grapefruit, and one-third of the lemons. A new record-large pack of canned citrus juice is in prospect.

Total production of oranges and tangerines is placed at 104.1 million boxes, 8 percent smaller than in 1944-45 but 36 percent larger than the 10-year (1934-43) average. The California crop of Valencia oranges, the main source of oranges during summer, is estimated at 26.1 million boxes, 32 percent smaller than in 1945 but still nearly equal to the 10-year average.

The 1945-46 grapefruit crop of 63.4 million boxes is 21 percent larger than the 1944-45 crop, 71 percent larger than the 10-year average, and sets a new record. Harvest of the crop is nearly over except for relatively small quantities, mainly California summer grapefruit.

The California lemon crop of 13.4 million boxes is 7 percent larger than the 1944-45 crop and 18 percent larger than the 10-year average. However, the quantity remaining to be harvested after June 1 is slightly smaller than that remaining a year earlier.

## Weather of the Week

**Reported by U. S. Weather Bureau**
**Week Ended July 3**

Generally warm weather prevailed in most of the country during the week ended July 3, the U. S. Weather Bureau reported Wednesday. Maximum temperatures in New England were above 80 degrees throughout the period and reached the middle 90's during the middle of the period. An extensive mass of cool, dry air was overspreading the eastern half of the country as the period ended.

Precipitation during the week was generally of a local nature caused by shower and thunderstorm activity. The only rains of any significance the fore part of the week occurred in the lower Mississippi Valley and the Gulf region, with occasionally heavy amounts recorded. During the latter part of the week locally heavy 24-hour totals were recorded in the Great Plains, Great Lakes region, Gulf region, East Coast States, and in Northwest coastal region.

The following summary of weather conditions by States was compiled and issued on July 3 by the Weather Bureau from special telegraphic information:

***New England***—Crop growth suffering from lack of rain, particularly strawberries and blueberries. High temperatures favorable to growth of summer vegetables. General rain started late Monday, relieving moisture needs.

***New York***—Hot days and warm nights advanced all vegetation rapidly. Generally heavy showers at end of week. Early pea harvest well along. Fruits sizing well; raspberries promising. Much cultivation of row crops accomplished.

***New Jersey***—Excellent growing weather.

***Pennsylvania***—Excellent week, but some fields in north still wet. Corn weedy, but good. Peaches and apples sizing well.

***Maryland and Delaware***—Favorable for farming operations and crop growth. Crops generally good to excellent. Early tomatoes sizing. Corn growing rapidly; being cultivated. Early tree fruits ripening.

***Virginia***—Corn doing well; cultivation proceeding. Tomatoes ripening. Early peaches and transparent apples being picked.

***Georgia***—More rain needed locally in east and south. Truck fair to good; harvesting continues.

***Florida***—Rain retarded farm work. Seed beds being prepared for fall crops. Citrus groves in excellent shape; new growth; young fruit holding and sizing well.

***Louisiana***—Unfavorable for farm work; cultivation only in drier areas. Truck and miscellaneous crops doing well except in some parts.

***Texas***—Northern third received effective rains; elsewhere dry. Weather favored harvest of vegetables.

***Arkansas***—Progress good; early corn tasseled. Tomato harvest under way in south.

***Tennessee***—Becoming dry. Sweet potatoes rapid growth. Vegetables good. Tomatoes being marketed in west.

***Kentucky***—Weather generally favorable for crops and field work, except east where too wet.

***Ohio***—Too wet for cultivation locally, but mostly very favorable.

***Indiana***—Tomatoes good to very good generally. Truck promising.

***Illinois***—Rainfall generally adequate. Condition of corn mostly good; growing rapidly; much late; some just planted; height ranges up to over three feet; some laid-by. Truck generally good.

***Michigan***—Progress of crops excellent. Beans growing fast; more moisture needed in south.

***Wisconsin***—Excellent growing week. Much corn in south nearly knee-high; some fields weedy due to wetness; need cultivation. Good crop of early peas being canned. Truck crops in good condition.

***Minnesota***—Rainfall light in southeast, elsewhere heavy to excessive. Growing crops advanced rapidly, although cultivating delayed. Corn very uneven; some knee-high in extreme south. Truck growing nicely.

***Iowa***—Very favorable. Condition of corn very good to excellent; progress excellent. Prospects very good for July 1.

***Utah***—Light showers north first of week. Apricots light, but fairly good quality.

***Idaho***—Light to moderate rains over north. Raspberry picking under way. Pea picking continues. Beans and corn doing well.

***Washington***—Temperatures below normal. Rainfall above normal at most stations. Fine for peas. Canning peas matured too slowly. Considerable damage to strawberries in west.

***Oregon***—Precipitation mostly above normal in north. Harvesting of peas and fruits delayed. Crops doing good in Williamette Valley.

***California***—Beans, tomatoes, and truck grew well. Picking cherries, plums, peaches, nectarines, apricots, berries, and early pears continues. Main apricot crop ready soon. Valencia orange picking progressing in south. New citrus developing well.

## Canned Milk Statistics

Canned evaporated milk production during May totaled 377,600,000 pounds or 20 percent less than a year earlier but 2 percent more than the average during May, 1940-44, the Bureau of Agricultural Economics reported this week. Production during the first 5 months of 1946 totaled 1,269,400,000 pounds, 25 percent less than in the corresponding period last year, BAE said.

Sweetened condensed milk (cases) production was 12,650,000 pounds during May, compared with 15,925,000 pounds in May, 1945.

# CORN CANNERS MEET IN CHICAGO TO DISCUSS PLANS REGARDING FOOD AND DRUG CANNED CORN STANDARDS

## FDA Expected to Propose Standards Before 1947 Crop is Packed

Representatives of regional and State canner associations, Corn Canners Service Bureau, and a number of the National Canners Association's personnel, met July 1 and 2 in Chicago, Ill., at the Hotel Bismarck, to discuss preparations for a public hearing on corn standards expected to be called early in 1947 by the Food and Drug Administration. The meetings were presided over by Dr. E. J. Cameron, director of the N. C. A.'s Washington Research Laboratory.

The group was informed of the Food and Drug Administration's tentative plans to establish standards for canned corn and a report of a preliminary conference, which was held on June 23 with Food and Drug officials, was read.

Following a brief report by H. R. Smith on the studies being made by the Association's Labeling Committee on the development of objective tests for canned foods, including canned corn, there was a general discussion of a number of matters which may arise at the hearing. Points specifically discussed in connection with preparations for the hearing included the following:

1. Collection of samples representing all commercially important varieties; the different canning areas; the different styles of pack and methods of preparation; a range of values above and below the possible substandard level; examples of defects; different fills-of-container, etc.

2. Study of objective measurements of each factor.

3. Laboratory examination of the samples.

4. Industry rating of the samples.

5. Compilation of the data with an indication of the substandard level.

6. Possible consumer evidence on specific points.

7. Presentation of the evidence at the hearing.

After a full discussion as to the part each group in the industry could take in the overall effort to prepare for the proposed hearing, the group decided that in the interest of uniformity and efficiency, the collection of samples and other technological studies decided upon at this meeting should be under the guidance of the National Canners Association's Research Laboratories, and that matters pertaining to the hearing itself should be under the direction of the N.C.A. counsel.

At the close of the first day's session, a committee of six was appointed to consider details of work and to present recommendations to the group on the following day. The committee was composed of Harvey R. Burr, Corn Canners Service Bureau, Chicago, Ill.; J. E. Hall, PictSweet Foods, Inc., Mt. Vernon, Wash.; J. T. Knowles, Libby, McNeill & Libby, Blue Island, Ill.; G. C. Scott, Minnesota Valley Canning Co., Le Sueur, Minn.; H. R. Smith, N.C.A. Research Laboratory, Washington, D. C.; and Marvin P. Verhulst, Wisconsin Canners Association, Madison, Wis. This committee presented to the group detailed recommendations as to the essential procedures to be followed in securing necessary information. These recommendations were:

### 1. Collection of Samples

***Whole grain brine pack.*** Samples to represent all the commercially important varieties and geographical areas, will be collected through the various regional associations with the assistance of the experiment stations and the Corn Canners Service Bureau.

***Whole grain vacuum pack.*** Samples will be secured by direct communication with canners in different areas.

***Cream style.*** The assistance of the research laboratories connected with the canning industry will be solicited in the preparation of samples. Collection of samples of cream style corn for consistency will be done in the factories by a modified experimental procedure.

### 2. Samples for Defects

Specific procedures were not indicated by the committee or by the entire group. It was decided to request canners to submit samples of lots of corn which they might grade substandard because of defects, also, if necessary, to buy on the open market samples of commercial canned corn representing, as far as possible, the different sections of the industry.

### 3. Fill of Container

***Whole grain.*** A comprehensive study is necessary to show whether the fill of container should be on the basis of drained weight or of volume of the corn in the can. Experimental packs will be prepared to show the relation of put-in weights and volumes to cut-out weights and volumes.

***Cream style.*** Industry experience indicates that a fill of 90 percent of the capacity of the container is satisfactory. This will be tested further. The Association Laboratories will continue to work on objective tests and will collaborate with other technologists on this subject. The samples that are obtained for these studies will be examined in the National Canners Association's Research Laboratories by all the tests that appear promising.

The samples will be rated by an industry group of 15 experienced corn graders from different sections of the country. The Laboratory data and industry ratings will be compiled and examined by statistical methods by the National Canners Association.

Consumer evidence may be sought in ways to be developed after consultation with persons having special experience of this nature.

### 4. Standards of Identity

In order to have evidence as to information now on canned corn labels, samples of corn labels used this year will be requested.

Representatives of most of the canner associations from areas where corn is canned were present, together with representatives of the Corn Canners Service Bureau and the Association's Home Economics Division, Labeling Division, Raw Products Division, Washington Research Laboratory, and general counsel for the N.C.A.

Plans were discussed to call other meetings of this kind well in advance of the public hearing so that the entire industry may be kept advised of the progress of the studies.

## Canned Food Freight Rates Increased 6 Percent by ICC

Freight rates on interstate shipments of all canned foods with the exception of shipments within the official classification territory, including the States of Illinois and cross lake ports in Wisconsin, may be increased by 6 percent upon three-day notice by the carrier. Shipments made within the official classification territory, may be increased an additional 5 percent, the Interstate Commerce Commission has ruled.

Last week's INFORMATION LETTER through error stated that the freight rate increases on some canned foods would amount to 3 percent. After a further check with the ICC and the Association of American Railroads, it was determined that the freight increases for rail and water transportation for all kinds of canned foods may be subject to a 6 percent increase with an additional 5 percent being permitted for the official classification territory.

## Demand for Farm Products to Continue at High Levels

The demand for farm products continues at a high level. The flow of income to individuals has been well maintained despite the severe setback to industrial production imposed by work stoppages in coal and rail transportation. As the effects of recent strikes wear off, it is expected that industrial production will climb to a new peacetime high provided further large-scale stoppages are avoided. This was the prediction of the U. S. Bureau of Agricultural Economics in its monthly publication, *The Demand and Price Situation*, issued this week.

The Federal Reserve Board index of industrial production declined from 168 in March (1935-39 = 100) to 164 in April and is estimated at about 160 for May. This index stood at 225 in May last year when production of war goods accounted for about two-thirds of the total. Thus a large part of the gain in industrial output which occurred in March following settlement of the steel strike has been cancelled. As a result of the coal tie-up, steel production, which had recovered to almost 90 percent of capacity in late March, fell below 50 percent in the latter half of May. Reduced coal and steel supplies checked the production of automobiles and many other durables in May. As a result, the time when production of goods will be adequate to meet present requirements is appreciably further away. Following the settlement of the coal and rail transportation strikes, improvement in industrial production has been noted and a substantial increase in the index is anticipated for June. By the end of the year, the index of industrial production may advance almost 20 percent over the May level.

Income payments during April at an annual rate of almost 157 billion dollars were only slightly below the revised estimate for March of 158 billion dollars and less than 4 percent below the April, 1945, estimate. For the first four months of 1946, income payments averaged only 4 percent below the record level for the comparable 4-month period in 1945 and 133 percent above the 1935-39 annual average. Higher wages and increased employment have tended to maintain labor income despite losses incurred in work stoppages. No significant change in the level of income payments occurred in May. Retail sales continued at boom levels.

Building and construction contracts awarded in April were more than twice as high as in April last year and have now attained a level comparable to the peak year of 1926. Residential building contracts awarded in April were seven times the level of a year ago. It is anticipated that further marked expansion in construction activity will occur despite shortages of materials and labor.

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## Cash Receipts from Farm Marketings to Exceed 1945

Cash receipts from farm marketings during the first six months of 1946 are now expected to equal or exceed the total of $8,710,000,000 received in the same period last year, the U. S. Department of Agriculture reported this week. Receipts during the first quarter of 1946 were slightly lower than a year earlier; but this decline is being offset in the second quarter. First-half totals for both crops and livestock are expected to be close to last year's levels. Relatively heavy marketings of meat animals in recent months, especially of hogs, have maintained total receipts from livestock and products at the 1945 level.

In the case of crops, increased receipts from grain marketings in the second quarter of the year have brought total receipts up near last year's level. Premium payments on wheat and corn, larger marketings as a result of the emergency grain-purchase program, and increases in the ceiling prices for most grains have all contributed to the increase in cash receipts from grains during the second quarter.

Farmers received almost $1,400,000,000 from marketings in April. This was a little more than in March, but not quite so much as in April, 1945. Livestock receipts showed somewhat more than the usual seasonal gain, reflecting heavier marketings of hogs, cattle, and calves. But crop receipts in April were down from last year. This was partly a result of delays in the marketing of wheat and corn while the Emergency Purchase Program was being worked out and partly because some farmers who sold wheat did not cash their certificates at that time. Current monthly estimates of total cash receipts will include receipts from the sale of wheat under the emergency program only as the certificates are cashed.

Total cash receipts in May were probably about 10 percent larger than in April. A 20 percent increase in crop receipts resulted largely from heavy marketings of wheat and corn at higher prices and added premiums. Cash receipts from livestock and products in May were only slightly higher than in April as a result of seasonal increases for dairy and poultry products.

Crop and livestock receipts for June are expected to total about the same as in May. Seasonal increases in receipts from fruits and vegetables are likely to offset a decline in grain receipts from their high level in May. Total receipts from livestock and products will probably be maintained fairly well as a result of further seasonal increases for dairy products.

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## Total Civilian Employment Shows Gain; Census Reports

According to the U. S. Census report covering the week of May 5-11, 1946, total civilian employment rose from 54,550,000 in early April to 55,320,000 in early May, largely as a result of the usual seasonal increase in agricultural employment. During the same period the total civilian labor force increased from 56,900,000 to 57,630,000. As a result, unemployment in May was almost the same as in the previous month, 2,310,000 in May compared with 2,350,000 in April.

With demobilization approximately four-fifths completed, further expansion in the civilian labor force is likely to be moderate, after allowance for the usual summer influx of students into the labor force. It is expected that these accessions to the labor force will be absorbed without difficulty. Expanding production may result in a tight labor market by the end of the year.

In early May, there were 2,010,000 persons absent from work because of strikes, illness, bad weather, or vacations, a figure slightly below April. There were about 850,000 veterans who had not yet begun to look for work, and are not counted in the labor force, a reduction of about 250,000 from the previous month.

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## Death Takes John de Back

As a result of injuries received in an automobile accident, John A. de Back, former section administrator of the War Food Administration's Priority Division, died recently at San Jose, Calif. Mr. de Back was a brother of William de Back, a vice president of the Food Machinery Corp. At the time of his death, the deceased was connected with Schuckl & Co.

## CONGRESS SUMMARY

In spite of the question raised in the House of the ability of Congress to enact within a 20-day period a measure satisfactory to the President and the Congress, that body on July 1 passed a 20-day extension (H. J. Res. 371) after relatively short debate and by a vote of 283 to 61.

The extension resolution, in addition to changing the expiration dates in the Emergency Price Control Act and the Stabilization Act to July 20, 1946, provides that no suit, action, or prosecution shall be instituted with respect to "offenses committed subsequent to June 30, 1946, and prior to the date of enactment of this joint resolution."

The resolution also contains a section dealing with subsidy operations. The section is designed to make programs in effect at the time the Act expired carry on through the extension period on the same basis that they were being paid on June 29. No new subsidy programs could be undertaken during the 20-day extension period.

Two separate proposals for the extension of the Department of Agriculture's farm labor supply program until June 30, 1947, have passed the House since June 28. The Third Deficiency Appropriation bill (H. R. 6885) containing legislative authorization for the continuance and $12,000,000 for operation of the program during the six months period passed the House on that date. On July 2, the House passed a bill (H. R. 6828) favorably reported out of the House Agriculture Committee authorizing an extension for the same period and the appropriation of required funds.

On May 25, 1946, the House passed a Concurrent Resolution providing for the appointment of a 14-member joint Congressional Committee to study and investigate existing and pending labor legislation and the "whole field of labor relations." The Committee also would have the responsibility for recommending legislation to promote harmonious relations between labor and industry. Following House passage, the proposal was referred to the Senate Committee on Education and Labor which favorably voted to report the Resolution to the Senate on July 2.

The bill to return the public employment functions of the United States Employment Service to the States (H. R. 4437) passed the Senate on June 25 and was returned to the House for concurrence in the Senate amendment or for a conference. Owing to objection being raised to a unanimous consent request that the bill be sent to Conference, it is still pending on the Speaker's table.

### (SUBSTITUTE OPA BILL REPORTED)

(*Concluded from page* 271)

plus the percentage of discount or markup in effect June 29, 1946.

The Secretary of Agriculture, rather than the Price Administrator, shall have the final authority on what farm commodities shall be kept under price control.

A three-member board would be established independent of OPA which could overrule the Price Administrator or the Secretary of Agriculture for failure to remove controls from a specific commodity when a "reasonable cause" could be determined.

Food subsidies could not exceed $1,000,000,000, and could not be paid after April 1, 1947. No new subsidies are provided for in the proposed new bill.

All controls would have to be removed by December 31, 1946, from commodities not important to business or living costs.

If a commodity has not been under OPA control already, the new bill provides that it cannot be brought under OPA jurisdiction.

The proposed measure also would continue in effect ceiling prices on meats and dairy products.

## Forthcoming Meetings

July 16-17—National Shrimp Canners Association, Annual Meeting, Roosevelt Hotel, New Orleans, La.

July 23—National Kraut Packers Association, Annual Meeting, Hotel Reiger, Sandusky, Ohio.

July 24-August 2—Association of New York State Canners, Inc., Canning Technicians School, New York State Experiment Station, Geneva, N. Y.

August 13-16—Vegetable Growers Association of America, 38th Annual Convention, Horticultural Hall, Boston, Mass.

October 17-19—National Association of Food Chains, 13th Annual Meeting, Drake Hotel, Chicago, Ill.

November 11-12—Wisconsin Canners Association, Schroeder Hotel, Milwaukee, Wis.

November 15—Ozark Canners Association, Fall Meeting, Colonial Hotel, Springfield, Mo.

November 21-22—Indiana Canners Association, Inc., Fall Meeting, Claypool Hotel, Indianapolis.

December 4-5—Tri-State Packers Association, Annual Fall Convention, Benjamin Franklin Hotel, Philadelphia, Pa.

December 6-7—Iowa-Nebraska Canners Association, Hotel Fort Des Moines, Des Moines, Iowa.

December 10-11—Ohio Canners' Association, Annual Convention, Deshler-Wallick Hotel, Columbus.

January 19-24, 1947—National Canners Association, 40th Annual Convention, Atlantic City, N. J.

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